

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO PURCHASE CERTAIN REAL PROPERTY LOCATED AT 1210 WEST 8TH STREET IN THE CITY OF NORTH LITTLE ROCK, ARKANSAS; APPROPRIATING FUNDS; AND FOR OTHER PURPOSES.

WHEREAS, the Arkansas Development Finance Authority ("ADFA") applied for and received funding available from the United States Department of Housing and Urban Development ("HUD") under the Neighborhood Stabilization Program 1 ("NSP1"); and

WHEREAS, HUD and ADFA rules and regulations restrict these federal funds to certain neighborhoods which have been hardest hit by the housing crisis and foreclosures, and the Baring Cross Neighborhood in North Little Rock meets those criteria for funding; and

WHEREAS, the City of North Little Rock ("the City") has applied for and been approved to acquire property and construct thirteen (13) affordable single-family homes for low, moderate and middle-income households ("LMMH") as defined by the Housing and Economic Recovery Act of 2008 ("HERA"); and

WHEREAS, the City desires to purchase property located at 1210 West 8th Street which has been identified as meeting the requirements of HERA, and the owner thereof has agreed to sell the property to the City at a fair market value of \$5,940.00; and

WHEREAS, it is in the best interests of the City that the subject property be purchased for the construction of an affordable single-family for an LMMH homebuyer.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That the Mayor and City Clerk are hereby authorized to execute an Offer & Acceptance (substantially similar to the one included in the Exhibit "A" Packet attached hereto and incorporated herein) for the purchase of the following described real property located at 1210 West 8th Street for the sum of \$5,940.00:

Lot 3, Block 7, Giles Addition to the City of North Little Rock,
Pulaski County, Arkansas.

SECTION 2: That all closing documents for the sale and purchase of the subject property shall be approved by the City Attorney.

SECTION 3: That the purchase price of \$5,940.00 is hereby appropriated from the General Fund, said amount to be reimbursed by ADFA from funds received under NSP1 of HUD.

SECTION 4: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED:

APPROVED:

Mayor Patrick H. Hays

SPONSOR:

ATTEST:

Mayor Patrick H. Hays

Diane Whitbey, City Clerk

APPROVED AS TO FORM:

C. Jason Carter, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/b

FILED 11:30 A.M. _____ P.M.

BY City Atty Carter

DATE 8-3-10
Diane Whitbey, City Clerk and Collector
North Little Rock, Arkansas

RECEIVED by A. Lodge

EXHIBIT “A” PACKET

Includes:

- 1. Offer & Acceptance**
- 2. Survey Map**
- 3. Appraisal**

OFFER & ACCEPTANCE

KNOW ALL MEN BY THESE PRESENTS:

1. BUYER & SELLER: North Bluffs Development Corporation, owner of a certain tract of property located in the City of North Little Rock, AR, hereinafter referred to as "Seller", offers to sell, subject to the terms set forth herein, the following described property to the City of North Little Rock, Arkansas, hereinafter referred to as "Buyer".

LEGAL DESCRIPTION OF PROPERTY:

Lot 3, Block 7, Giles Addition, to the City of North Little Rock, Pulaski County, Arkansas.

2. PURCHASE PRICE: The Buyer will pay \$5,940.00 for fee simple title to the herein-described property. The Buyer will be responsible for all closing costs.

3. EXPRESS CONDITIONS: This agreement is conditioned upon the following:

- a. Approval by the North Little Rock City Council;
- b. For a period of sixty (60) days following the date that this Offer is accepted, Buyer or its agent(s) shall be entitled to conduct such reviews related to the Property and inspections of the Property as Buyer deems necessary, including, without limitation, title review, survey review, environmental review, soil composition analysis, an appraisal of the value of the Property, financing analyses, feasibility studies, traffic analyses, etc. (the "Buyer's Review Period"). During Buyer's Review Period, Buyer or its agents shall have the right to enter upon the Property to perform non-destructive tests such as, but not limited to, soils testing, environmental studies, or any other tests that might be necessary to help determine the feasibility of the Property. In the event that Buyer is dissatisfied with the results of Buyer's review or otherwise determines that the Property is not feasible for its purposes in its discretion, Buyer shall deliver written notice thereof to Seller prior to expiration of Buyer's Review Period, and this Agreement shall terminate, any earnest money shall be promptly refunded to Buyer and neither Buyer nor Seller shall have any further obligation to the other pursuant to this Agreement, or otherwise.

- c. Closing shall occur no later than June 15, 2010; and
- d. This offer shall expire at noon on June 4, 2010. Buyer shall consider expiration to be a rejection of this offer.

4. CONVEYANCE/WARRANTY: Seller agrees to grant, bargain, transfer and convey the above-described property unto Buyer and unto its administrators and assigns. Seller hereby covenants with the Buyer that it is the lawful owner of said property, that the property is free from liens and encumbrances, that Seller has good right to sell the same; and that Seller will warrant and defend the same against the lawful claims and demands of all persons or entities whomsoever.

5. POSSESSION: Possession shall be delivered to Buyer upon closing.

6. INSPECTION: Buyer certifies that Buyer has inspected the property and is not relying upon any warranties, representations or statements of any agent or Seller other than those specified herein.

7. MISCELLANEOUS:

- a. This agreement shall be governed by the laws of the State of Arkansas.
- b. This agreement contains the complete agreement between the parties and cannot be varied except by written agreement of the parties. The parties agree that there are no oral agreements, understandings, representations or warranties which are not expressly set forth herein.

c. Any portion of this agreement not otherwise consummated at closing will survive the closing of this transaction as a continuing agreement by and between the parties.

d. This agreement shall inure to the benefit of and bind the parties hereto and their respective heirs, representatives, successors and assigns.

e. Time is of the essence with respect to this offer and acceptance.

8. ACCEPTANCE: The term "acceptance" as used herein shall mean the later of the two dates on which this agreement is signed by Seller or when signed by North Little Rock's Mayor, as indicated by the appropriate signatures below, which later date shall be the date of final execution and agreement by the parties hereto. If any date or deadline provided for herein falls on Saturday, Sunday, or a holiday, the applicable date shall be the next business day.

SELLER:

North Bluffs Development Corporation

By: _____
Jim Jackson

Address: 58 Carmel Drive; Little Rock,
AR 72212

Date: _____

BUYER:

CITY OF NORTH LITTLE ROCK, AR

By: _____
Patrick H. Hays, Mayor

Address: 300 N. Main Street, North Little
Rock, AR 72114

Date: _____

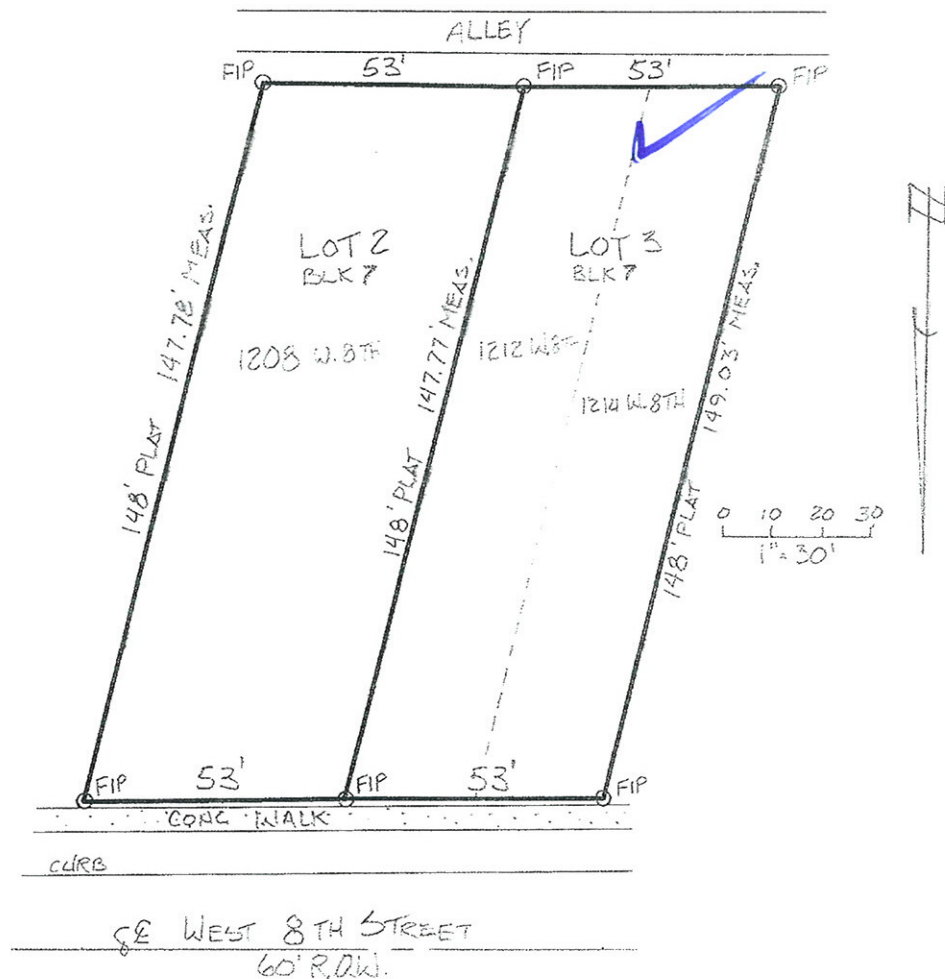
ATTEST:

Diane Whitbey, City Clerk
[SEAL]

PREPARED BY:
Office of North Little Rock City Attorney
300 Main Street
North Little Rock, AR 72114



MARLAR ENGINEERING CO., INC.
Consulting Civil Engineers & Land Surveyors
5318 John F. Kennedy Boulevard
North Little Rock, Arkansas 72116
PHONE (501) 753-1987 FAX (501) 753-1993 WWW.MARLAR-ENG.COM



NOTES:

1. This survey is for the purpose of title and mortgage work.
2. The use and benefit of this survey is not transferable and does not extend to any other party.
3. No other copies of this survey will be available.

DATE: APRIL 14, 2010

SCALE: 1" = 20'

LEGAL DESCRIPTION:
LOTS 2, & 3, BLOCK 7, GILES ADDITION, TO THE CITY OF NORTH LITTLE ROCK, PULASKI COUNTY, ARKANSAS

THIS IS TO CERTIFY THAT THE ABOVE DESCRIBED LAND HAS BEEN SURVEYED IN APRIL OF 2010. CORNERS ARE MARKED AS SHOWN AND ARE IN ACCORDANCE WITH EXISTING MONUMENTS IN THE AREA. THIS CERTIFICATION IS FOR AND LIMITED TO THE PARTIES SHOWN HEREON AND IS NOT TRANSFERABLE. ACCORDING TO THE FEMA FLOOD INSURANCE RATE MAP (FIRM) COMMUNITY PANEL NO. 050182 0008 D DATED SEPTEMBER 5, 1990. THE ABOVE DESCRIBED PROPERTY APPEARS TO EXIST IN ZONE X AND DOES NOT LIE WITHIN THE 100 YEAR FLOOD PLAIN.

ADDRESS: 1208, 1212, 1214 W. 8TH STREET
NORTH LITTLE ROCK, ARKANSAS

FOR: CITY OF NORTH LITTLE ROCK



RECERTIFICATION OF VALUE

This recertification of value ☐ incorporates by attachment ☐ incorporates by reference information from file # _____
 by Melissa Clifton, with an original effective date of January 19, 2010, and an
 original value conclusion of \$ 6,000. Please refer to the original report for additional information.

File No.: _____

Client: City of North Little Rock

Borrower: N/A

On January 19, 2010, the property situated at 1210 West 8th, North Little Rock, AR 72114

was appraised by Melissa Clifton
 and valued at \$ 6,000

I have reviewed the above referenced appraisal, driven by the subject property, taken new subject front photos and recertify the value as indicated above.

Date of Re-inspection: July 27, 2010

It is my opinion that the value of the subject property:

- ☐ is now valid as an "as-is" value.
☐ is not valid as an "as-is" value because the following conditions have not been met:

Comments/Conditions:

Signature Melissa Clifton
 Name Melissa Clifton
 Date Signed July 28, 2010
 State Certification # _____ State _____
 Or State License # SR-2289 State AR

Signature Tom M. Ferstl
 Name Tom M. Ferstl
 Date Signed July 28, 2010
 State Certification # CG-0029 State AR
 Or State License # _____ State _____

Subject Photo Page

Borrower/Client	Client: City of North Little Rock				
Property Address	1210 West 8th				
City	North Little Rock	County	Pulaski	State	AR Zip Code 72114
Lender	N/A				

**Subject Front**

1210 West 8th
 Sales Price N/A
 Gross Living Area
 Total Rooms
 Total Bedrooms
 Total Bathrooms
 Location Giles
 View 7,844 Sq. Ft.
 Site
 Quality
 Age

Borrower/Client	Client: City of North Little Rock	File No.
Property Address	1210 West 8th	
City	North Little Rock	County Pulaski
State	AR	Zip Code 72114
Lender	N/A	

APPRAISAL AND REPORT IDENTIFICATION

This appraisal conforms to one of the following definitions:

- ☐ Complete Appraisal (The act or process of estimating value, or an opinion of value, performed without invoking the Departure Rule.)
- ☒ Limited Appraisal (The act or process of estimating value, or an opinion of value, performed under and resulting from invoking the Departure Rule.)

This report is one of the following types:

- ☐ Self Contained (A written report prepared under Standards Rule 2-2(a) of a Complete or Limited Appraisal performed under STANDARD 1.)
- ☒ Summary (A written report prepared under Standards Rule 2-2(b) of a Complete or Limited Appraisal performed under STANDARD 1.)
- ☐ Restricted (A written report prepared under Standards Rule 2-2(c) of a Complete or Limited Appraisal performed under STANDARD 1, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

I certify that, to the best of my knowledge and belief:

- ☒ The statements of fact contained in this report are true and correct.
- ☒ The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- ☒ I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- ☒ I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- ☒ My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ☒ My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- ☒ My analyses, opinions and conclusions were developed and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- ☒ I have made a personal inspection of the property that is the subject of this report.
- ☒ No one provided significant real property appraisal assistance to the person signing this certification.

Comments on Appraisal and Report Identification

Note any departures from Standards Rules 1-3 and 1-4, plus any USPAP-related issues requiring disclosure:

The City of North Little Rock is the "client" with regard to this appraisal report, and this report is intended solely for the use and benefit of said client, and the appraisers have no intent to benefit any other party. This appraisal report is prepared for the sole and exclusive use of the appraiser's client. No third parties are authorized to rely upon this report without the express written consent of the appraiser.

PURPOSE AND FUNCTION: The purpose of this appraisal is to estimate the fair market value of the subject property for Voluntary Acquisitions. The function of this appraisal is for use by the above named client to determine market value as of the date of this report. SCOPE OF APPRAISAL: The scope of this appraisal consisted of a drive by inspection of the subject. Pictures of the front and street were taken. The neighborhood was driven through to determine its salient characteristics. For the Highest and Best Use refer to supplemental addendum. A cost approach is not included in this report. The MLS and the local Tax Assessor's records were researched for comparable sales in the neighborhood. Several possible sales were viewed from the exterior. Those used were deemed the best available. The comparable sales were compared to the subject and adjustments in value were made as deemed appropriate. The approaches to value were reconciled and an opinion of value was rendered based on the data available.

The following is an "appraisal" of the subject property, it is not an environmental inspection. If the user or client desires such type of reports, they should be ordered from an appropriate expert. This appraisal Report does not guarantee that the property is free of defects. If this report is signed by a State Registered appraiser only, it may not be eligible for use in a federally related transaction.

APPRAISER:

Signature: Melissa Clifton

Name: Melissa Clifton

Date Signed: January 27, 2010

State Certification #: _____

or State License #: SR-2289

State: AR

Expiration Date of Certification or License: 12/31/2010

SUPERVISORY APPRAISER (only if required):

Signature: Tom M. Ferstl

Name: Tom M. Ferstl

Date Signed: January 27, 2010

State Certification #: CG-0029

or State License #: _____

State: AR

Expiration Date of Certification or License: 06/30/2010

☒ Did ☐ Did Not Inspect Property

LAND APPRAISAL REPORT

File No.

Borrower <u>N/A</u>		Census Tract <u>0030.00</u> Map Reference <u>30780</u>	
Property Address <u>1210 West 8th</u>			
City <u>North Little Rock</u>		County <u>Pulaski</u>	State <u>AR</u> Zip Code <u>72114</u>
Legal Description <u>Lot 3, Block 7, Giles Addition to North Little Rock, Arkansas</u>			
Sale Price \$ <u>N/A</u> Date of Sale <u>N/A</u> Loan Term <u>N/A</u> yrs. Property Rights Appraised <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Leasehold <input type="checkbox"/> De Minimis PUD		Actual Real Estate Taxes \$ <u>53.47</u> (yr) Loan charges to be paid by seller \$ <u>N/A</u> Other sales concessions <u>N/A</u>	
Lender/Client <u>Client: City of North Little Rock</u>		Address <u>P. O. Box 5757, North Little Rock, AR 72119</u>	
Occupant <u>Vacant</u> Appraiser <u>Melissa Clifton</u>		Instructions to Appraiser <u>Appraise vacant residential lot.</u>	

NEIGHBORHOOD	Location	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Good Avg. Fair Poor		
	Built Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%			
	Growth Rate	<input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Steady			
	Property Values	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining			
	Demand/Supply	<input type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input checked="" type="checkbox"/> Oversupply			
	Marketing Time	<input type="checkbox"/> Under 3 Mos.	<input checked="" type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.			
	Present Land Use	<u>70% 1 Family</u>	<u>20% 2-4 Family</u>	<u>5% Apts.</u>		<u>0% Condo</u>	<u>0% Commercial</u>
	Change in Present Land Use	<input checked="" type="checkbox"/> Not Likely	<input type="checkbox"/> Likely (*)	<input type="checkbox"/> Taking Place (*)			
	Predominant Occupancy	(*) From <u>Owner</u> To <u>5% Vacant</u>					
	Single Family Price Range	<u>\$ 7,000</u> to <u>\$ 89,000</u> Predominant Value <u>\$ 14,900</u>					
Single Family Age	<u>21</u> yrs. to <u>90</u> yrs. Predominant Age <u>70</u> yrs.						

Employment Stability		<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Avg.	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor
Convenience to Employment		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Shopping		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Schools		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy of Public Transportation		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recreational Facilities		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy of Utilities		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Compatibility		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection from Detrimental Conditions		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Police and Fire Protection		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General Appearance of Properties		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Appeal to Market		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): Subject is located on Parker Street in North Little Rock, Arkansas with convenient access around North Little Rock. Adjacent to the subject is residential housing. Marketability in the area is stable.

SITE	Dimensions	<u>See Attached Bagley Map+</u> = <u>7,844</u> Sq. Ft. or Acres <input type="checkbox"/> Corner Lot	
	Zoning classification	<u>R4: Multi-Family District</u> Present Improvements <input type="checkbox"/> do <input type="checkbox"/> do not conform to zoning regulations	
	Highest and best use	<input type="checkbox"/> Present use <input checked="" type="checkbox"/> Other (specify) <u>See Supplemental Addendum</u>	
	Elec.	<input checked="" type="checkbox"/> Public	<input type="checkbox"/> Other (Describe)
	Gas	<input checked="" type="checkbox"/>	
	Water	<input checked="" type="checkbox"/>	
	San. Sewer	<input checked="" type="checkbox"/>	
		<input type="checkbox"/> Underground Elect. & Tel.	
	OFF SITE IMPROVEMENTS	Street Access <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private Surface <u>Asphalt</u> Maintenance <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private <input checked="" type="checkbox"/> Storm Sewer <input checked="" type="checkbox"/> Curb/Gutter <input checked="" type="checkbox"/> Sidewalk <input checked="" type="checkbox"/> Street Lights	
	Topo	<u>Generally Level</u>	

Size 7,844 Square Feet according to the Tax Assessors Records

Shape Generally Rectangular

View Typical Urban

Drainage Appears Adequate

Is the property located in a HUD Identified Special Flood Hazard Area? ☒ No ☐ Yes

Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions): There are no apparent adverse conditions, easements or encroachments. A survey is strongly recommended to ascertain, for certain, the above mentioned items as the appraiser is not an expert in this field. Our value estimate is conditioned on the ability of the City of North Little Rock to provide good, marketable, fee simple title to the subject property, an accurate legal description and a survey indicating no adverse conditions or encroachments and current zoning.

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.									
ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3					
Address	<u>1210 West 8th</u> <u>North Little Rock</u>	<u>1711 Marion Street</u> <u>North Little Rock</u>	<u>1301 West 11th Street</u> <u>North Little Rock</u>	<u>1223 West 9th Street</u> <u>North Little Rock</u>					
Proximity to Subject		<u>0.75 miles NE</u>	<u>0.25 miles NW</u>	<u>0.10 miles NW</u>					
Sales Price	\$ <u>N/A</u>	\$ <u>4,000</u>	\$ <u>4,000</u>	\$ <u>7,000</u>					
Price	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>					
Data Source	<u>Drive-By Inspection</u>	<u>MLS#10181515</u>	<u>Tax Assessors Records</u>	<u>Tax Assessors Records</u>					
Date of Sale and Time Adjustment	<u>N/A</u>	<u>03/27/2008</u>	<u>06/04/2007</u>	<u>06/06/2008</u>					
Location	<u>Giles</u>	<u>Holts Industrial</u>	<u>Vestals</u>	<u>Giles</u>					
Site/View	<u>7,844 Sq. Ft.</u>	<u>6,650 Sq. Ft.</u>	<u>4,389 Sq. Ft.</u>	<u>7,000 Sq. Ft.</u>					
Utilities	<u>Elec, Gas, Wtr, Swr</u>	<u>Elec, Gas, Wtr, Swr</u>	<u>Elec, Gas, Wtr, Swr</u>	<u>Elec, Gas, Wtr, Swr</u>					
Topography	<u>Generally Level</u>	<u>Generally Level</u>	<u>Generally Level</u>	<u>Generally Level</u>					
Zoning	<u>R-4</u>	<u>R-3</u>	<u>R-4</u>	<u>R-4</u>					
Sales or Financing Concessions	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>					
Net Adj. (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>750</u>	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>1,750</u>	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>250</u>					
Indicated Value of Subject		<u>Net 18.8 % \$ 4,750</u>	<u>Net 43.8 % \$ 5,750</u>	<u>Net 3.6 % \$ 7,250</u>					

Comments on Market Data: All three sales are considered good indicators of value versus the subject. These sales were chosen based upon size, proximity and date of sale. An extensive search failed to uncover comparable sales superior to the ones utilized within this report.

Comments and Conditions of Appraisal: The subject is vacant land as are all three comparable sales. Sale #1 is smaller in size. Sale #2 is smaller in size. Sale #3 is slightly smaller in size. Although a sale or sales may be in excess of 24 months, no discernible change has occurred in the subjects marketing area in terms of vacant land during the previous 36 month period. Please note, no adjustments were made for zoning because it appears to the appraiser that zoning is not a factor in sales price in the subjects marketing area.

Final Reconciliation: I have retained several land sales in my files regarding this appraisal. Weighted consideration is given equally to all sales utilized. Sale #1 is owned by an individual. Sale #2 is owned by North Bluffs Development Corporation. Sale #3 is owned by CRC Properties LLC. Please see Supplemental Addendum for further comments.

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF January 19 2010 to be \$ 6,000

Melissa Clifton Tom M. Ferstl

Appraiser(s) Melissa Clifton; SR-2289 Tom M. Ferstl; CG-0029 ☒ Did ☐ Did Not Physically Inspect Property

Review Appraiser (if applicable)

[Y2K]

LAND APPRAISAL REPORT MARKET DATA ANALYSIS

File No. _____

[illegible]

Supplemental Addendum

File No.

Borrower/Client	Client: City of North Little Rock				
Property Address	1210 West 8th				
City	North Little Rock	County	Pulaski	State	AR Zip Code 72114
Lender	N/A				

No survey or site plan was provided to the appraiser and none could be located by the appraiser. The site placement was unable to be located on the Bagley Maps and the site area was obtained from the Pulaski County Tax Assessors Records. This information is not warranted by the appraiser as accurate. The appraiser suggests that a survey be obtained to ascertain the exact information regarding the subject property.

The zoning for the subject property is R-4 Multi-family District according to the City of North Little Rock Zoning Map (Please see attached Map). The definition of this zoning includes; multifamily or apartment residences, but allows single- and two-family structures. The subject property is vacant land, therefore, it is in compliance with the current zoning. The highest and best use for the subject property is development that complies with the current zoning. It is the opinion of the appraiser that the highest and best use would be a new 2-4 family rental type structure.

According to the Pulaski County Tax Assessors Records, there are no prior sales for comparable sale #1 or #2. There is no other information available to the appraiser regarding these properties. For comparable sale #3, the tax records indicate a prior sale on 05/30/2008 for \$7,000 with a Grantor of Krista Hawkins and a Grantee of NLR Parker St Properties LLC. Another prior sale for this property occurred on 01/16/2007 for \$1,000 with a Grantor of Terry Coker and a Grantee of Krista Hawkins. No other recent prior sales information exists for this property according to the tax records. Also, comparable sale #3 appears to have been purchased on 06/06/2008 with another property located at 1222 West 10th Street in North Little Rock.

According to the CARMLS, there have been 13 sales in the subjects marketing area during the previous 12 month period, and currently there are 29 active listings in the subjects marketing area. During the previous 36 month period, property values in the subjects marketing area have declined and longer than average marketing times have been noted.

Information regarding the closing of the subject property was provided to the appraiser by the owner, the appraiser has no way to verify this information and does not warrant it as accurate. This item is included as addenda in this report. However, it was not considered in the estimated opinion of market value for the subject property. According to the HUD statement provided to the appraiser by the owner, the contract sales price of the subject property was \$32,000 and included the sale of 3 properties: 1208 W 8th, 1210 W 8th and 1214 W 8th, all in North Little Rock, Arkansas.

Information regarding recent sales was provided to the appraiser. There were 2 identified sales included, 309 Parker and 405 Parker. 405 Parker is listed as comparable #4; information regarding this transaction can be found within the report. 309 Parker appears to have been sold with a dwelling according to the tax assessors records, therefore, the appraiser did not consider this sale as a comparable. The appraiser has no way to verify information regarding the details of the transaction without reviewing the sales contract.

Due to a possible assemblage factor, some sales in the subjects marketing area were not used by the appraiser as applicable sales. Some of these are: 1017 Parker, 1019 Parker, 1023 Parker and 415 Division Street which also could have sold with a dwelling.

Much other data such as proposed improvements and a proposed multi-family apartment complex along with current active listings and previous appraisals by other firms was provided to the appraiser, this information was reviewed by the appraiser, however, it is not included in this report and it was not considered in the estimated opinion of market value for the subject property.

The reported analysis, opinions and conclusions were developed; and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; and the appraiser has the appropriate knowledge and experience required to comply with the competency provision of the USPAP.

We certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, the signing appraisers have completed the requirements of the continuing education program of the Appraisal Institute and that required by the State of Arkansas. We certify that we have the necessary real estate related training and experience relevant to properties such as the subject property.

Neither all nor any part of the contents of this report, especially any conclusions as to value, the identity of the appraisers, or the firm with which they are connected, or any reference to the Appraisal Institute or the MAI or SRA designations, shall be disseminated to the public through media, sales media, or any other public means of communication without prior written consent and approval of the signed appraisers.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

* Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgement.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.
10. If this report is signed by a state registered appraiser only, it may not be eligible for use in a federally related transaction.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 1210 West 8th, North Little Rock, AR 72114

APPRAISER:Signature: Melissa CliftonName: Melissa CliftonDate Signed: January 27, 2010

State Certification #: _____

or State License #: SR-2289State: ARExpiration Date of Certification or License: 12/31/2010**SUPERVISORY APPRAISER (only if required):**Signature: Tom M. FerstlName: Tom M. FerstlDate Signed: January 27, 2010State Certification #: CG-0029

or State License #: _____

State: ARExpiration Date of Certification or License: 06/30/2010☒ Did☐ Did Not Inspect Property